Supervisor’s review of bachelor thesis

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Topic: Assessment of the Financial Position of the Selected Company by the Financial analysis Methods

The submitted bachelor thesis is devoted to financial analysis of company’s performance as necessary part of financial management. Topic of this bachelor thesis can be considered as traditional and convenient for this specific level of study.

The aim of this thesis is the evaluation of financial position of chosen company with selected financial analysis methods within specific period 2009 – 2019. With regard to the results and conclusions, which was created by author, it can be confirmed that goal of the thesis was fulfilled. Nevertheless the thesis contains several errors and inaccuracies.

The bachelor thesis is divided into five chapters. Unfortunately the names of chapter 2, 3 and 4 are different from assignment. Despite that error we can find logical structure and links between individual chapters. Chapter 2 is concentrated on theoretical aspects of financial analysis methodology. Author described common-size analysis and ratio analysis. All formulas which are given in this part of the thesis are correct with only one exception – formula of cash flow coverage. Also can be declared that explanation of essence of the individual ratios could be done better.

The rest of thesis is totally focused on the of theoretical foundations. We can find it in chapter 3, in which author described chosen company and in chapter 4. In this chapter author calculated and evaluated findings of used financial analysis methods. Results of common size analysis and ratio analysis, which were presented, are without significant errors. The main weakness of this bachelor thesis is first of all description and explanation established facts. It means that author only described changes and development of individual items and ratios and did not try to find reasons of these changes. Moreover some facts are not stated well. For example increasing of total liabilities within period 2009 - 2010 is described by author as the greatest increasing. But according data of balance sheet it is not true. On the page 34 author referred to graph 4.6 that is not in the thesis. Data which are presented in this section are completely different from the data in table 4.6. In conclusion of chapter 4 author declared that turnover of assets was ratio with the lowest influence of changes return on equity during evaluated period. With regard to the results of pyramidal decomposition of ROE ratio it is not possible to agree with this commentary.

In spite of all facts what was mentioned in previous text, it is necessary to confirm that author improved her knowledge of financial analysis a lot and that very much accomplished her ability to calculate ratios, to use pyramidal decomposition methods and tried to analyze calculated results.

As far as evaluation of formal elaboration of the thesis is necessary to declare that I did not find any references here. Also list of literature is not in conformity with the requirements.

Despite above mentioned objection, I recommend the thesis for defense.

Ostrava, June 1st, 2015

Ing. Karolína Lisztwanová, Ph.D.